

A blurred background image of a classroom. Students are seated at desks, and many have their hands raised, indicating an interactive lesson. A teacher is visible in the background, standing and facing the class. The image is overlaid with a blue wavy graphic at the top.

The State School Foundation Budget



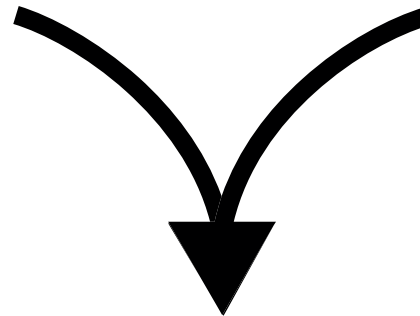
Where does the money for our school budget come from?



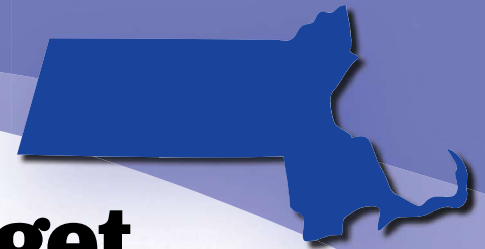
Property Taxes



State Funding

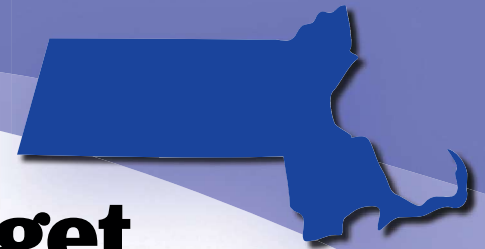


School Budget



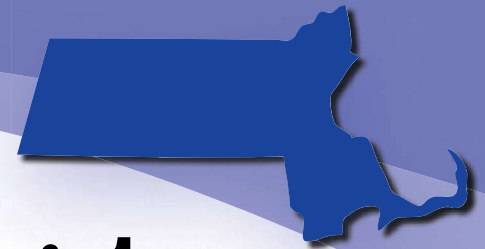
The State Foundation Budget

In 1993, the state legislature passed the Education Reform Act, establishing state funding to local school districts.



The State Foundation Budget

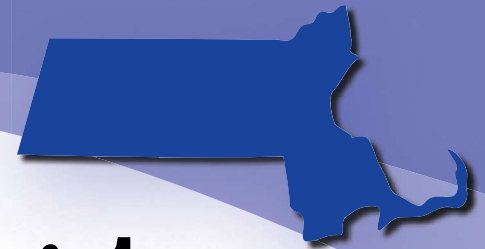
The State Foundational Budget is a per pupil spending amount for each school district that represents the minimum spending level needed to provide an adequate education to students.



The State Foundation Budget

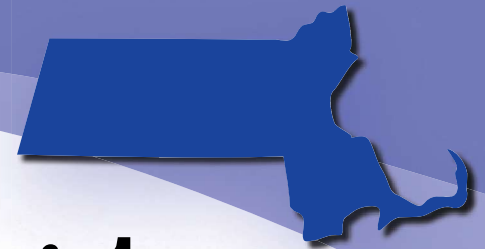
The local contributions and state aid percentages for any individual city will vary in proportion to the city's wealth.

The State calculation of a city's wealth is called "combined effort yield" or CEY for short.



The State Foundation Budget

The State provides a minimum of 17.5% of a school district's Foundation Budget through state aid, even to the wealthiest cities.



The State Foundation Budget

State aid covers a larger percent of school funding for low and moderate income cities.

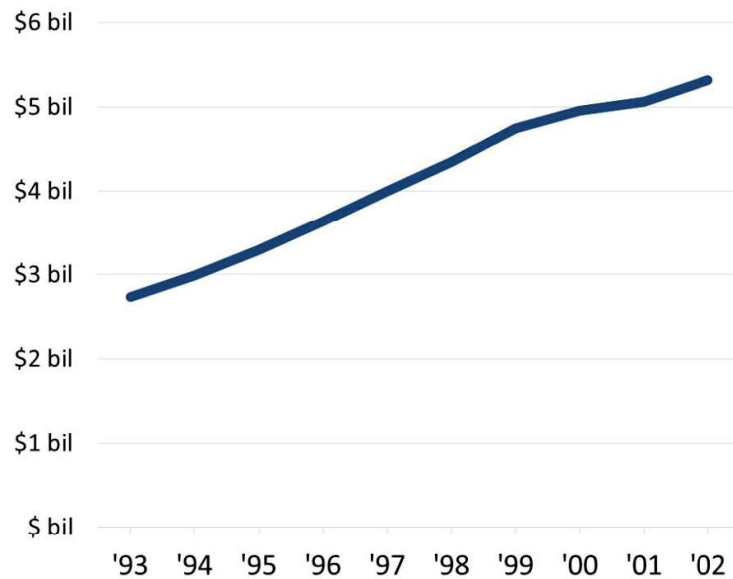
Wealthy cities pay a smaller percentage of their CEY compared to low and moderate income cities.



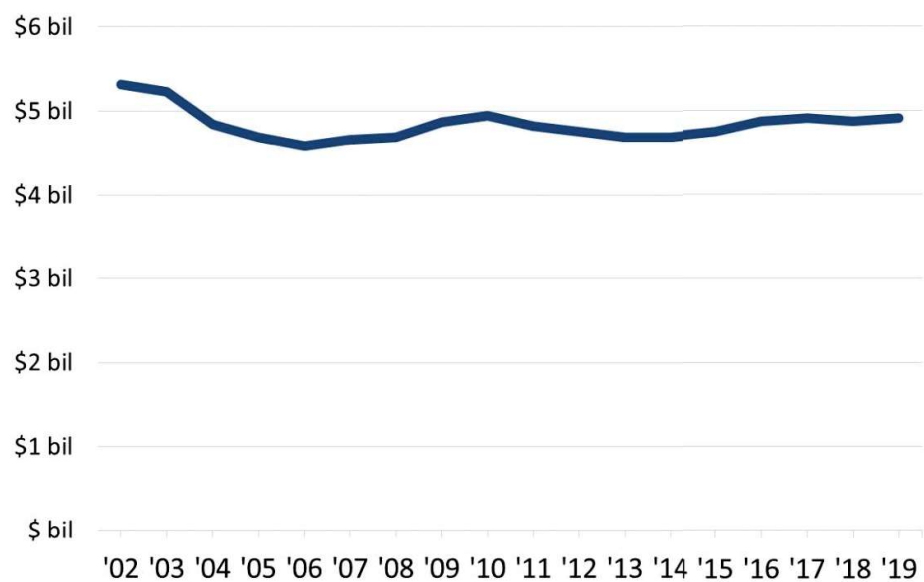
Undercalculated Education Costs

Funding Progress in Massachusetts Has Eroded

Chapter 70 Aid doubled over first decade



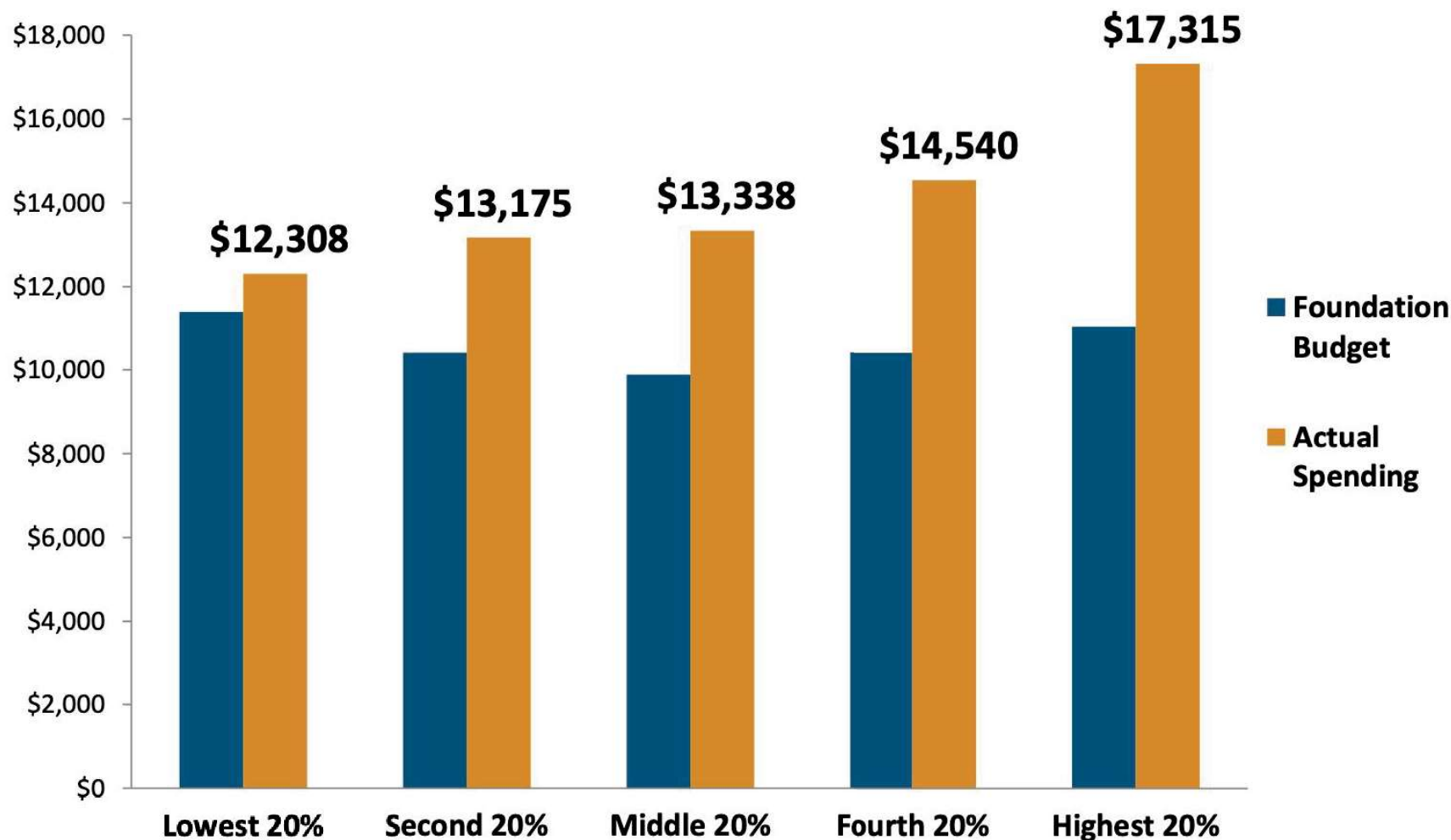
...and has been cut \$413 mil since FY 2002



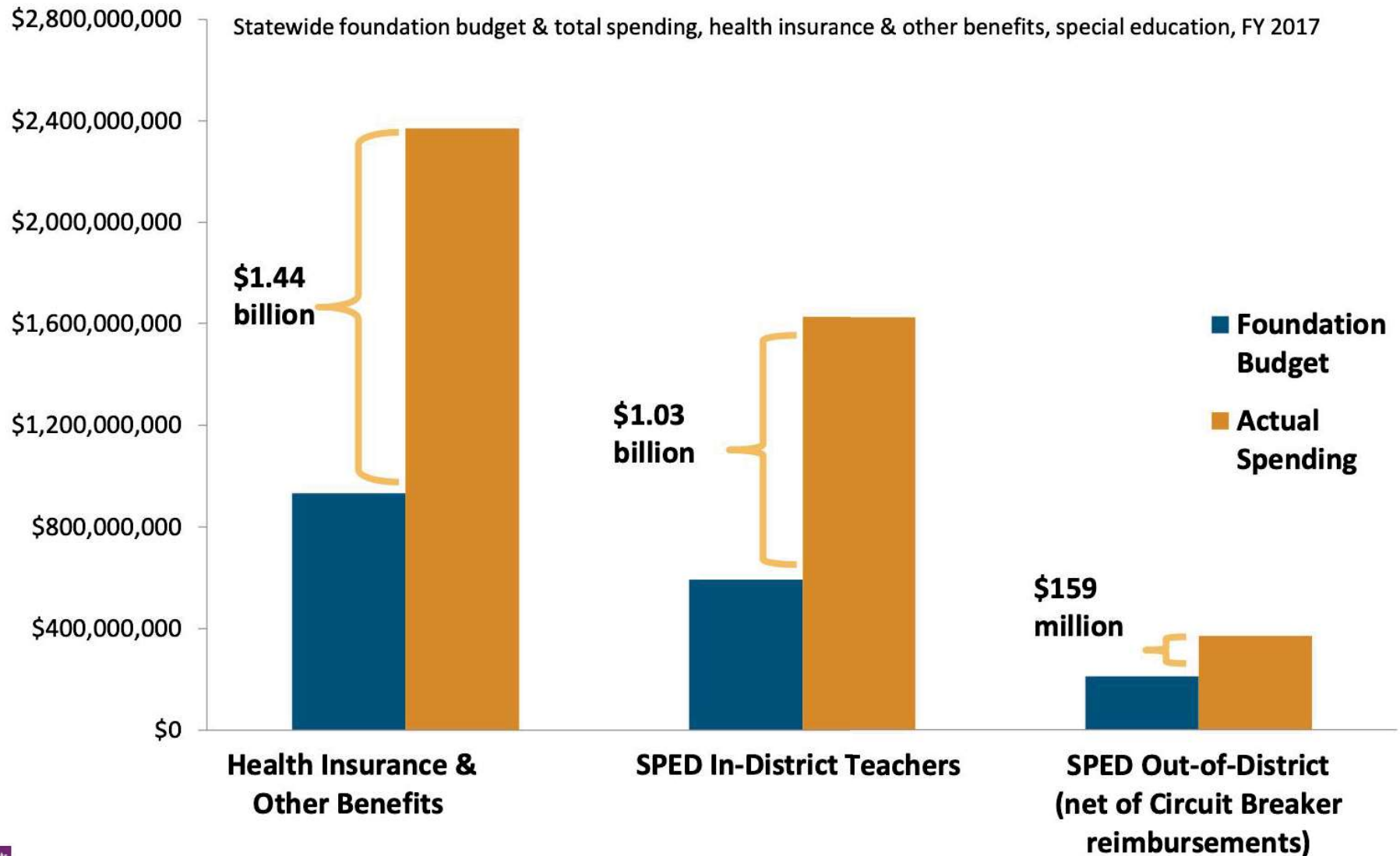
Inflation adjusted using factor identified in CH70 law (Implicit Price Deflator for State and Local Government), 2019 \$

Foundation Budget is Substantially Less Than What All Districts Need, Wealthier Communities Spend More to Compensate

Districts clustered by community property wealth and income. Total district spending per pupil, FY 2017



Foundation Budget Undercounts Critical Costs by \$2.63 Billion





The Student Opportunity Act (SOA)

The Student Opportunity Act (SOA)



This act signed in 2019 by state legislators pledged an investment in new funding to public schools by \$1.5 billion annually when fully phased in over the next seven years.

This legislation also adjusts funding formulas to consider health care costs for employees and increases special education funding providing an additional \$500 million in indirect funding adjustments.

The SOA also sets a three-year schedule to fully fund the charter school reimbursement line item.

Chapter 70 Funding: **Inflation**



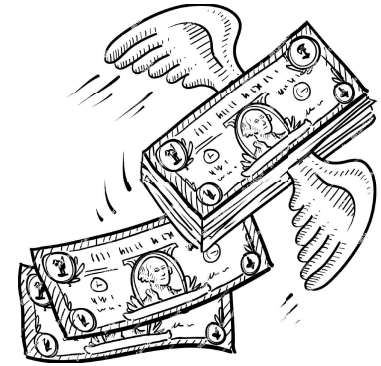
The State caps an inflation increase in state school aid at

4.5%



Education advocates are asking for the cap to increase to

5.9%



Actual rate of Inflation in Massachusetts 2022

7%



Under the Student Opportunity Act, urban school districts were the largest major beneficiaries.

2 out of 3 school districts are in “hold harmless” and getting no Student Opportunity Act aid this year (FY25).

A photograph of a classroom with students raising their hands, overlaid with a blue wavy graphic at the top. The text "The Charter School Issue" is centered in a large, bold, black font.

The Charter School Issue

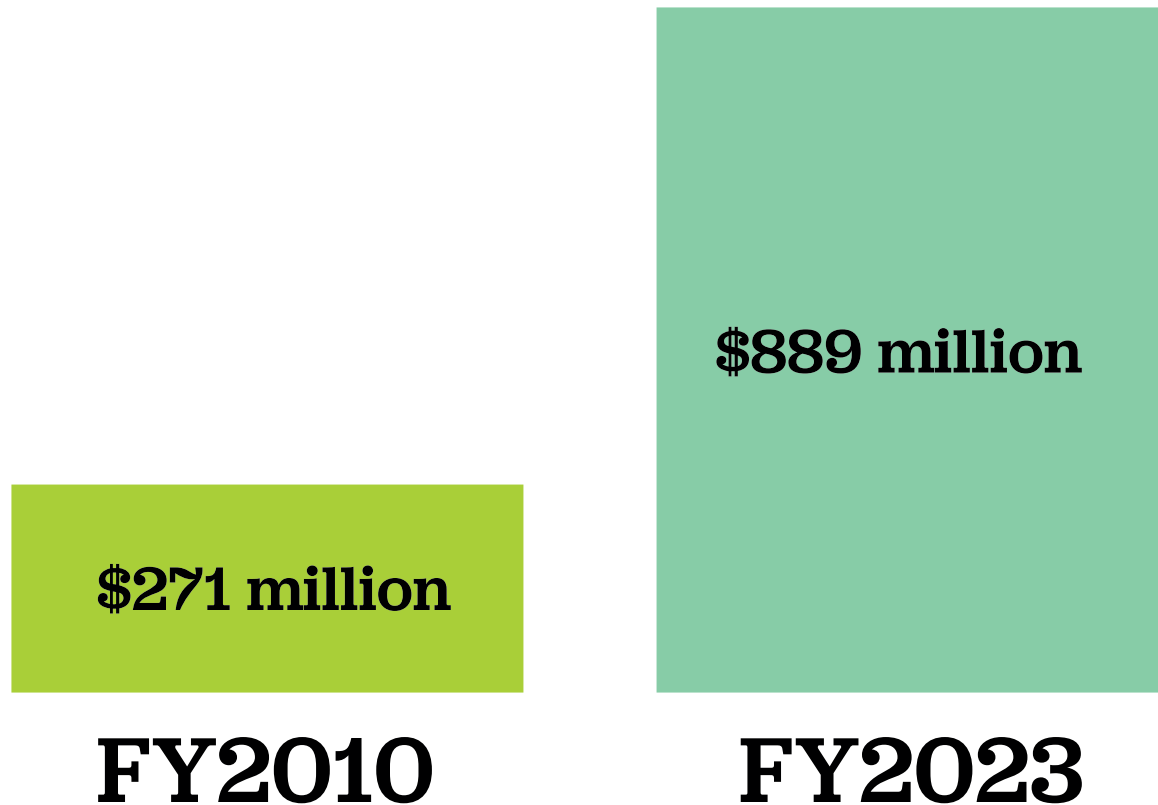
The Charter School Issue



For two decades, the combination of school choice and public funding for charter schools has triggered a downward spiral characterized by decreasing enrollment and dwindling finances in low-income school districts.

FY10 VS FY23 Charter School sending tuition assessments

Funding taken from Public School districts
and going to charter schools.



Low Income Districts Shoulder the Weight of School Choice and Charter School Funding

The 15 school districts with the lowest municipal tax bases account for a quarter of the cost of the municipal impact of school choice and charter school tuition assessments (\$321 million, FY24)

These districts include: Brockton, Chelsea, Chicopee, Fall River, Fitchburg, Holyoke, Lawrence, Lowell, Lynn, New Bedford, North Adams, Orange, Southbridge, Springfield, and Worcester.



What Can We Do?

IDEA #1

Sending Tuition Underwriting



Targeted underwriting by the commonwealth of sending tuition for low and moderate income school districts would directly address the funding needs and funding inequities for the districts most negatively impacted by the flaws in state local school aid. The cost to the state would be \$640 million annually.